



TEXAS GENERAL LAND OFFICE
GEORGE P. BUSH, COMMISSIONER

FOR SETTLEMENT PURPOSES ONLY.

November 3, 2020

The Honorable Sylvester Turner, Mayor
City of Houston
901 Bagby Street, 4th Floor
Houston, TX 77002

Re: Interim operation of Hurricane Harvey CDBG-DR by City of Houston

Dear Mayor Turner:

Thank you for your letter of October 23, 2020. The Texas General Land Office (GLO) and the City of Houston (COH), collectively the "Parties," have had several discussions relating to the matters in question and, based on those conversations, the GLO offers the following terms to govern the City's operation of certain Hurricane Harvey CDBG-DR programs, pending execution of a new subrecipient agreement and HUD approval of a new Action Plan Amendment. Where appropriate, these terms will also be incorporated into the new subrecipient agreement.

1. The Parties have agreed on the following CDBG-DR program funding budgets for the COH:

CITY OF HOUSTON PROGRAM BUDGETS

Program	Budget
Homeowner Assistance Program	\$ 72,184,209
Single Family Development Program	\$ 60,000,000
Multifamily Rental Program	\$ 450,050,472
Small Rental Program	\$ 25,000,000
Homebuyer Assistance	\$ 33,688,328
Buyout Program	\$ 55,800,000
Public Service	\$ 60,000,000
Economic Revitalization	\$ 30,264,834
Planning	\$ 23,100,000
Houston Administration	\$ 15,000,000
	\$ 825,087,843

2. The GLO will agree to extend the termination date of Harvey subrecipient agreement No. 19-147-001-B489 (the "Contract") from November 6, 2020, to December 6, 2020 ("Extension Period").

3. During the Extension Period, the GLO will allow the COH to continue to administer funds under the Homeowner Assistance Program on applications approved by the GLO on or before October 6, 2020, unless otherwise directed or authorized by GLO.

4. During the Extension Period, the GLO will allow the COH to continue to administer funds under the Multifamily Rental Program and Public Service Program relating to projects approved on or before October 6, 2020. Any projects not approved by that date shall be placed on hold and no additional funds shall be obligated until a new subrecipient agreement is executed, unless specifically directed or authorized by GLO. While the City will not submit to GLO new project approvals unless specifically authorized by GLO, the GLO shall continue to process environmental approvals under the Multifamily Rental Program and other approval requests that were submitted to the GLO as of the date hereof.

5. During the Extension Period, the GLO will allow the COH to continue to operate the Homebuyer Assistance Program.

6. During the Extension Period, the GLO will allow the COH to spend project delivery funds under the Single-Family Development Program, Small Rental Program, Buyout Program, and Economic Revitalization Program solely on COH staff, unless specifically directed or authorized by GLO.

7. During the Extension Period, the COH will retain use of Houston Administration funds identified in the chart below and, for all work authorized hereunder, eligible expenses incurred by the COH shall be approved pursuant to the Contract.

8. The following chart reflects the maximum funding amounts available to the COH for each CDBG-DR Program during the Extension Period:

COH EXTENSION PERIOD BUDGETS

Program	Overall Budget	Extension Period Budget
Homeowner Assistance Program (HoAP)	\$ 72,184,209	\$ 72,184,209
Single Family Development Program	\$ 60,000,000	\$ 9,472
Multifamily Rental Program	\$ 450,050,472	\$ 137,779,622
Small Rental Program	\$ 25,000,000	\$ 17,834
Homebuyer Assistance	\$ 33,688,328	\$ 33,688,328
Buyout Program	\$ 55,800,000	\$ 34,510
Public Service	\$ 60,000,000	\$ 15,400,000
Economic Revitalization	\$ 30,264,834	\$ 18,308
Planning	\$ 23,100,000	\$ 0
Houston Administration	\$ 15,000,000	\$ 15,000,000

TOTAL	\$ 825,087,843	\$ 274,132,283
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9. As part of a new subrecipient agreement, the GLO will consider adjustments to the originally proposed benchmarks for the following programs: Single Family Development Program; Multifamily Rental Program; Small Rental Program; Homebuyer Assistance; Buyout Program; Public Service; Economic Revitalization Program; and Planning.

10. Concurrent with negotiations between the parties of a new subrecipient agreement, the GLO will prepare a new State Action Plan Amendment for public comment and submission to HUD for approval.

11. For the CDBG-DR programs formerly run by the COH and assumed by the GLO under State Action Plan Amendment 7, the COH shall provide the GLO with copies of all program information in its possession, including applicant data and project files.

12. Notwithstanding the forgoing, GLO may authorize the COH to perform work on any program by direction in writing, including by electronic mail, to COH's Director of Housing and Community Development and no modification of this letter agreement shall be required.

13. Upon execution of a new subrecipient agreement, the COH shall dismiss with prejudice Cause No. D-1-GN-20-003520, *City of Houston vs. Texas General Land Office, et, al.*, in the 53rd Judicial District for Travis County, Texas, and all related appeals.

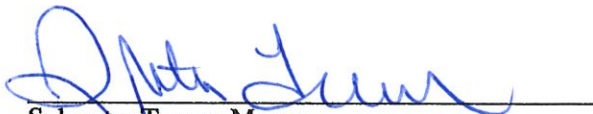
If you agree with the terms outlined herein, please sign below and return a signed copy back to me by Wednesday, November 4.

Sincerely,



Mark A. Havens
Chief Clerk/Deputy Land Commissioner

AGREED:



Sylvester Turner, Mayor
City of Houston

cc: Mr. Jeff Gordon, GLO General Counsel
Ms. Heather Lagrone, Senior Deputy Director, Community Development and Revitalization
Mr. Ronald C. Lewis, City Attorney, City of Houston
Mr. Tom McCasland, Director, City of Houston Housing and Community Development Department